

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-02 INR-10  
L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15 USIA-15  
SOE-02 MCE-00 DOE-11 /085 W  
-----026956 171559Z /41

R 171408Z MAR 78  
FM AMCONSUL TORONTO  
TO SECSTATE WASHDC 7007  
INFO AMEMBASSY OTTAWA  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS

UNCLAS SECTION 1 OF 2 TORONTO 0439

E.O. 11652: N/A  
TAGS: PEPR, PINT, SOPN, CA  
SUBJ: NEWSPAPER COLUMNIST QUESTIONS NATIONAL SECURITY  
ASPECTS OF COSSITT/SUN REVELATIONS

1. IN AN EDITORIAL PAGE COLUMN MARCH 15, TORONTO STAR OTTAWA  
CORRESPONDENT GEORGE BAIN QUESTIONED THE NATIONAL SECURITY  
ELEMENTS OF THE "SECRETS" CONTAINED IN THE PAPER LEAKED  
BY COSSITT AND THE SUN.

2. BAIN INCLUDED FIVE ELEMENTS SUPPOSEDLY IN THE SECURITY  
PAPER AND PROVIDED BACKGROUND INFORMATION ON EACH THAT MADE  
THE NATIONAL SECURITY CLAIM DOUBTFUL.

(A) SALE BY A VANCOUVER COMPANY OF A TWO-MAN  
DEEP-WATER SUBMARINE VESSEL, ALLEGEDLY  
PROHIBITED FOR SALE TO EAST BLOC COUNTRIES,  
WAS NOT ONLY COVERED BY GOVERNMENT EXPORT  
PERMITS BUT INSURANCE WAS ARRANGED  
THROUGH THE GOVERNMENT-CONTROLLED  
EXPORT DEVELOPMENT CORPORATION.  
BAIN CLAIMED THAT THE DESIGN OF

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THE TWO SUBMARINES SOLD WERE  
CHANGED TO USE NON-U.S. ARMOR  
PLATE TO AVOID VIOLATING U.S. LAW.

(B) THE OFFER OF A FRANCHISE TO A  
MONTREAL MAN FOR THE SOVIET YAK-40  
AIRCRAFT AND A DOLS 50,000 COMMISSION IN

RETURN FOR RESALE OF A HUGHES 500  
HELICOPTER, ACCORDING TO BAIN,  
QUOTING BRUCE WEBB OF THE COMMERCE  
DEPARTMENT IN WASHINGTON, WAS RIDI-  
CULOUS AS THE RUSSIAN COULD BUY THE  
ORDINARY COMMERCIAL HUGHES 500 THEM-  
SELVES. BAIN WROTE THE MILITARY  
VERSION, THE HOH-6, MAY BE SOLD ONLY  
GOVERNMENT-TO-GOVERNMENT.

(C) THE SMUGGLING OF A HIGHLY CLASSIFIED NEW  
LASER BY A CANADIAN SCIENTIST FROM THE  
NATIONAL RESEARCH COUNCIL TO THE  
U.S.S.R. AT THE REQUEST, IT WAS SUGGES-  
TED, OF A BEAUTEOUS RUSSIAN SPY,  
RELATED TO THE WORK OF PROFESSOR J.  
ARNOLD KOINGSTEIN, PROFESSOR OF  
CHEMISTRY AT CARLETON UNIVERSITY,  
OTTAWA. KOINGSTEIN PRESUMES HE  
IS THE PERSON DESCRIBED AS HE HAS  
BEEN WORKING ON A PROGRAM GENERALLY  
SPONSORED BY THE NATIONAL RESEARCH  
COUNCIL AND SOVIET ACADEMY OF SCIENCES.  
KOINGSTEIN TOLD BAIN THAT ABOUT  
1974 HE TOOK TO RUSSIA A MODEL 125  
SPECTRA PHYSICS HELIUM-NEON GAS LASER  
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MANUFACTURED IN CALIFORNIA, "A DEVICE  
THAT HAD BEEN AROUND CARLETON FOR  
SEVEN YEARS." KOINGSTEIN CLAIMED THAT  
ANYONE INTERESTED IN THE PROGRAM CAN  
FIND IT IN THE JOURNAL OF CHEMICAL  
PHYSICS, VOLUME 18, PAGE 1285. HE  
CONTINUED THAT THE DISPUTED LASER WAS  
NOT NEW, WAS NOT CLASSIFIED AND DID  
NOT COME FROM THE NATIONAL RESEARCH  
COUNCIL. HE SAID THAT IT BROKE DOWN  
AFTER 50 HOURS OPERATION IN THE SOVIET  
UNION AND REPRESENTATIVES OF THE U.S.  
MANUFACTURER ADVISED THAT IT WAS NOT  
WORTH REPAIRING.

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L-03 NSAE-00 NSC-05 PA-02 SP-02 SS-15 USIA-15  
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R 171408Z MAR 78  
FM AMCONSUL TORONTO  
TO SECSTATE WASHDC 7008  
INFO AMEMBASSY OTTAWA  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS

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(D) THE 1975 ATTEMPT BY A SOVIET AGENT  
TO RECKE  
RRRUIT A CANADIAN DEPARTMENT OF  
AGRICULTURE SCIENTIST TO TURN OVER THE  
SECRETS OF A NEW RUST-RESISTANT WHEAT  
WAS CHECKED WITH THE OFFICER-IN-CHARGE  
OF SECURITY AT THE DEPARTMENT OF  
AGRICULTURE. ACCORDING TO BAIN,IE  
MATERIAL IS PUBLISHED, THERE IS NO  
RESTRICTION ON ITS DISTRIBUTION.

(E) REGARDING THE CHARGE THAT FIVE CANADIAN  
FIRMS, WHOLLY OR PARTLY OWNED BY THE  
SOVIET UNION, SERVE AS FRONTS FOR ACTI-  
VITIES MORE SINISTER THAN THE DECLARED  
COMMERCIAL PURPOSES, BAIN LOOKED INTO THE  
CASE OF ONE OF THE FIVE, SOCAN AIRCRAFT  
OF CALGARY, A SUBSIDIARY OF ALLARCO  
DEVELOPMENTS OF EDMONTON. HE QUOTED ART  
SMITH, A FORMER CONSERVATIVE MP, WHO IS  
VICE-PRESIDENT OF ALLARCO AND RUNS SOCAN,  
SAYING THAT BEFORE THE FRANCHISE WAS

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SET UP, OTTAWA WAS CONTACTED. ACCORDING  
TO SMITH, NOT ONLY WAS THERE NO RESIS-  
TANCE BUT POSITIVE ENCOURAGEMENT. BAIN  
SAYS THAT TRANSPORT MINISTRY EXPERTS  
HAVE BEEN IN THE SOVIET UNION ON YAK-40  
BUSINESS THREE TIMES AND SOCAN PEOPLE NINE  
TIMES. THERE HAS BEEN REGULAR CONTACT

WITH THE SECURITY SERVICE REGARDING THE  
RELATIONSHIP WITH SOVIET UNION.

3. BAIN CONCLUDED "IT'S NOT POSSIBLE TO RUN DOWN ALL THE  
SUPPOSED THREATS TO OUR SECURITY WHICH ARE NOW IN THE  
PUBLIC DOMAIN AS RESULT OF THE SECURITY SERVICE'S IN-  
ABILITY TO HANG ON TO THE PAPER IT MARKS TOP  
SECRET. BUT WHEN SOME OF THEM CAN BE SHOWN TO REST ON  
NO MORE THAN GOSSIP - MALICIOUS GOSSIP IN CASES WHERE  
THE RCMP HAS HAD REGULAR FIRST-HAND CONTACT - IT MUST  
MAKE ANYONE WONDER. MUSTN'T IT?".  
DIGGINS

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## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** NATIONAL SECURITY, NEWSPAPERS  
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**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
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**Disposition Comment:**  
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**Review Markings:**  
Sheryl P. Walter  
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US Department of State  
EO Systematic Review  
20 Mar 2014  
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